

STATE OF WASHINGTON PUBLIC DISCLOSURE COMMISSION

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908 • (360) 753-1111 • FAX (360) 753-1112 Toll Free 1-877-601-2828 • E-mail: pdc@pdc.wa.gov • Website: www.pdc.wa.gov

February 25, 2016

Sent electronically to Michael Read

Subject: Complaint filed against Envision Worker Rights PAC, PDC Case No. 1461

Dear Mr. Read:

Enclosed is a copy of a letter sent to Michael Cathcart with the Spokane County Home Builders Association, concerning a complaint he filed with the Public Disclosure Commission (PDC) on October 28, 2015. The complaint alleged that Envision Worker Rights PAC violated: (1) RCW 42.17A.235 and .240 by failing to disclose in-kind contributions for committee staffing and overhead costs, and failing to timely disclose monetary contributions received; and (2) RCW 42.17A.320 for failing to include the proper sponsor identification on political advertising, including the "Top Five Contributors."

As noted in the letter to Mr. Cathcart, the PDC will not be conducting a more formal investigation into these allegations or taking enforcement action in this matter.

However, in accordance with Public Disclosure Commission practices to issue a warning for first-time minor violations for failing to include the complete sponsor identification on political advertisements, this warning letter is being sent to Envision Worker Rights PAC. This letter serves to inform Envision Worker Rights PAC, Envision Spokane PAC, and its principals, that failure to include the complete sponsor identification, including the "Top 5" contributor language, on political advertisements sponsored for any future campaign or ballot measure could result in enforcement action before the Commission.

If you have questions, please contact me at (360) 664-8854, toll-free at 1-877-601-2828, or by email at kurt.young@pdc.wa.gov.

Sincerely,

Kurt Young

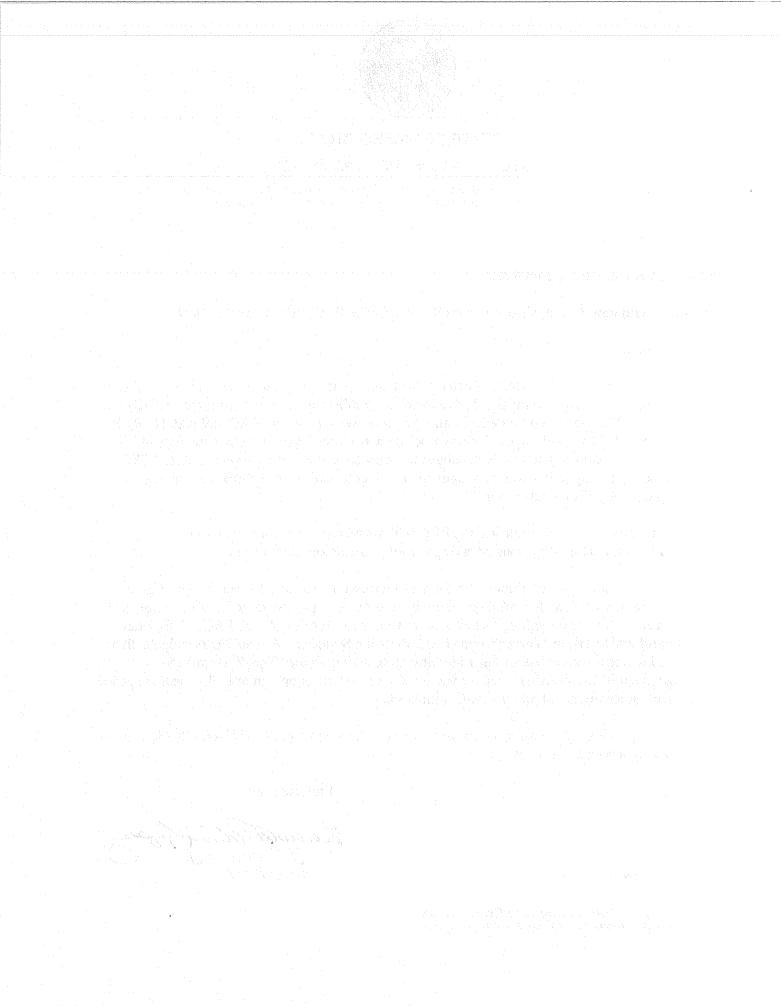
PDC Compliance Officer

Endorsed by:

Evelyn Fielding Lope

Executive Director







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February 25, 2016

Sent electronically to Michael Cathcart "contactmichaelcathcart@gmail.com"

Subject: Complaint filed against Envision Worker Rights PAC, PDC Case No. 1461

Mr. Cathcart:

The Public Disclosure Commission (PDC) has completed its review of the complaint you filed on October 28, 2015. Your complaint alleged that Envision Worker Rights PAC, a local political committee registered to support a City of Spokane ballot proposition, violated: (1) RCW 42.17A.235 and .240 by failing to disclose in-kind contributions for committee staffing and overhead costs, and failing to timely disclose monetary contributions received; and (2) RCW 42.17A.320 for failing to include the proper sponsor identification on political advertising, including the "Top Five Contributors."

You also alleged that Envision Worker Rights PAC used an image in a political advertisement which violated the "terms of use" of an online agreement when it featured a stock photograph of a firefighter from the Moorhead Fire Department. For your information, the "terms of use" issue is not under the PDC's jurisdiction and that allegation was not reviewed.

PDC staff reviewed your allegations in light of PDC laws and rules in order to determine whether a formal investigation or enforcement action is warranted.

Staff reviewed your complaint, the Monetary Contributions reports (C-3 reports) and Campaign Summary Contribution and Expenditures reports (C-4 report) filed by Envision Worker's Rights PAC (EWR PAC) and Envision Spokane PAC, contribution and expenditure information in the PDC database, and email exchanges between Bradley Read, a Committee officer with EWR's PAC and PDC staff. Based on staff's review, we found that:

- Envision Spokane PAC had been the sponsor of three previous City of Spokane initiatives (2009, 2011, and 2013), which all qualified for the ballot, and were known as or referred to as the Community Bill of Rights.
- On February 20, 2015, Envision Spokane PAC filed a Committee Registration (C-1pc report), selecting "Ballot Committee" and the Full Reporting option and indicated on the form the committee would be supporting a "Community Bill of Rights" in 2015.

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- On March 20, 2015, EWR PAC filed a C-1pc report, selecting the Full Reporting option and stating they were a "Ballot Committee" in 2015.
- The "Worker Bill of Rights" being supported by EWR PAC was a "substantively different initiative from the Community Bill of Rights" which required the formation of a new political action committee EWR PAC.
- On March 25, 2015, EWR PAC filed an amended C-1pc report, adding the name of Envision Spokane PAC to the committee name as a sponsor, in accordance with PDC sponsorship requirements for a political committee. The new PAC was made up of volunteers from Envision Spokane PAC, and both committees listed the same mailing address and principal officers.
- Mr. Read stated that Kai Huschke was the Campaign Coordinator for EWR PAC and Mr. Read was the Campaign Director. He stated that Mr. Huschke is a part-time contractor with the Community Environmental Legal Defense Fund (CELDF), and when he was working for the EWR PAC, he was on his own time as a volunteer.
- Mr. Read stated that the duties Mr. Huschke performed for EWR PAC, as a volunteer, included handling media inquiries, voter outreach activities, email communications and website content. He stated that all staff working for the EWR PAC and Envision Spokane PAC were volunteers, including Mr. Huschke, and that they were volunteering on their own time. He added that EWR PAC and Envision Spokane PAC did not have a formal committee headquarters, and had no committee overhead or staff costs to disclose, either as an expenditure or an in-kind contribution.
- During the 2015 election, EWR PAC filed eight C-3 reports disclosing the receipt of \$11,250 in monetary contributions that were reported 0 to 17 days late. EWR PAC filed two C-3 reports on October 8, 2015 totaling \$400 that were filed 17 days late.
- EWR PAC filed a C-3 report on October 8, 2015, disclosing a \$10,000 contribution that had been received from James Sheehan, and was mentioned as an allegation by the complainant. The C-3 report was filed three days late, but prior to the general election ballots being mailed and 26 days prior to the November 3, 2015 general election being held.
- EWR PAC sponsored two political advertisements as a political committee that supported a local ballot proposition, which failed to include the required "Top Five Contributor" language. In addition, the sponsor identification that was included on the advertisements appeared to be smaller than the required 10 point font size.
- Staff's review determined that Envision Spokane PAC, James Sheehan and Carol Cunninham contributed more than \$700 to EWR PAC in 2015, but their names did not appear on the flyer as a "Top 5" contributor. Mr. Read stated that there was not a PDC requirement in the 2009 and 2011 elections for a political committee supporting a local ballot proposition to list its top five contributors in the sponsor identification.

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 Mr. Read acknowledged that EWR PAC failed to comply with the sponsor identification requirements concerning the Top Five Contributor language. He stated that was "an oversight on our part" and added that "...only three contributors donated in excess of seven hundred dollars to the campaign in the twelve-month period before the date of the advertisement."

In accordance with Public Disclosure Commission practice to issue a warning for first-time minor violations for failing to include any "Top Five Contributor" language and for failing to include the sponsor identification in 10 point font size, a warning letter is being sent to Envision Worker Rights PAC.

The warning letter will caution Envision Worker Rights PAC and its principal officers that failing to include the complete sponsor identification on all future political advertisements, including the "Top Five Contributor's language in at least 10 point font size, it could result in enforcement action before the Commission.

No evidence was found during our review or provided by you, demonstrating that Envision Worker Rights PAC failed to disclose committee overhead or staffing costs, either as an expenditure or an in-kind contribution. While Envision Worker Rights PAC failed to timely file eight C-3 reports disclosing the receipt of \$11,250 in monetary contributions, the C-3 report disclosing \$10,000 of those contributions was filed three days late, but prior to the general election ballots being mailed out and 26 days prior to the November 3, 2015 general election being held.

For these reasons, PDC staff will not be conducting a more formal investigation into your complaint or pursuing enforcement action in this case. Thank you for bringing this matter to our attention. The process relies on citizens monitoring campaign activity to promote full compliance with the law. Your actions will contribute to better awareness of campaign restrictions and prohibitions.

If you have questions, you may contact me at (360) 664-8854, toll-free at 1-877-601-2828, or by e-mail at kurt.young@pdc.wa.gov.

Sincerely,

Endorsed by:

Kurt Young/J
PDC Compliance Officer

Evelon Fielding Lopez Executive Director

